

ED_000545B_00000525



Haltermann Products
Johann Haltermann Ltd.
A Subsidiary of The Dow Chemical Company
1201 South Sheldon Road
P.O. Box 429
Channelview, TX 77530-0429
U.S.A.

January 22, 2008

Mr. Kevin Brunner
Southwest Research Institute
P.O. Box 28510
San Antonio, TX 78228

Re: Expanded EPA Fuel Matrix

Dear Mr. Brunner:

Haltermann Products is pleased to present the following fuel supply proposal for your consideration.

SCOPE:

Haltermann Products proposes to supply 24 drums (55 gallons per drum: 1,320 gallons) of each of the 29 fuels specified in Expanded EPA Fuel Matrix. The proposal is based on the assumptions that follow

ASSUMPTIONS:

- ☐ Haltermann Products has identified several fuels that we anticipate will cause formulation challenges. (See attached table)
- ☐ Handblends for fuels #17, #18, and #19 will be initiated upon receipt of purchase order.
- ☐ Fuels #17 and #18 will be delivered to Southwest Research Institute by March 14, 2008 and March 21, 2008 respectively provided purchase order is received by January 25, 2008.
- ☐ Fuel #19 may require extensive formulation development causing delivery date to go beyond the requested delivery date of March 28, 2008. Fuel #19 will carry same development priority as Fuels #17 and #18.
- ☐ Haltermann Products will develop formulas for the remaining 26 fuels based on a priority supplied by Southwest Research Institute and US EPA.
- ☐ Depending upon priority set by SwRI and US EPA, fuels #1, #2, #4, #5, #6, #7, #8, #10, #12, #13, #14, #15, #17, #18, #20, #21, and #29 can be delivered to SwRI by June 16, 2008.
- ☐ The delivery dates assume handblend approvals for each fuel based on the matrix specifications or Haltermann Products' best effort formulations.
- ☐ Formulations requiring additional effort will add to the delivery time for each fuel involved.
- ☐ Delivery dates for all fuel blends are dependent upon the amount of formulation work required.
- ☐ Blends are to be considered within specification if they meet the limits provided and accounting for any laboratory reproducibility for respective ASTM test methods at the ranges desired.
- ☐ Haltermann Products will not accept responsibility or the expense for reblending initial hand blend test samples that are deemed to be off specification without regard for test precision and reproducibility from various laboratories.

- ☐ In cases where a fuel specification cannot be met after two handblend iterations, Haltermann Products will provide our "best effort" formulation to Southwest Research Institute for approval. Following this, if it is determined that additional blend iterations are to be attempted, Southwest

Ex. 4 - CBI

- ☐ A formulation iteration is defined as a formula documented by laboratory test results.
- ☐ All fuels will be shipped to Southwest Research Institute immediately upon completion of production.
- ☐ Fuels will be packaged in 5B, Epoxy-Lined drums.
- ☐ Fuels will be blended exclusively from refinery components and cuts of refinery components.
- ☐ Special chemicals and chemical blendstocks shall not be used.
- ☐ Butane and benzene may be used to adjust RVP and benzene content of these fuels, respectively.
- ☐ Sulfur content of the fuels may be adjusted using a three-component sulfur mixture containing 4.3 mass % of dimethyl disulfide, 22.8 mass % of thiophene, and 72.9% mass % of benzothiophene.
- ☐ An oxidation inhibitor shall be added to all finished test fuels.
- ☐ Hand blend inspection data for every test fuel shall be presented directly to EPA for review and approval prior to final blending.
- ☐ Final blend inspection data generated by the blending laboratory and by the contractor, shall be forwarded to the EPA WAM for review prior to the shipment of these fuels.

PRICING:

Ex. 4 - CBI

Drum contents: 55 Net US gallons per drum

Prices include freight to destination locations listed above along with any applicable taxes.

Payment Terms: Payment terms are net thirty (30) days from the date of each invoice.

Haltermann Products is a global leader in the test and reference fuels industry. While research is a part of the development of fuels, we are not strictly a research facility. It is our intent to work with our customers to provide quality fuels that are useful, serviceable, and meet our customers' requirements. If Haltermann Products determines that any of the formulation requests or attempts will not be possible to produce, Haltermann Products reserves the right to cease formulation development on any fuel that does not meet customer specifications or "best effort" approval by customer.

Thank you for your consideration and interest in Haltermann Products as a supplier for this EPA project. Please let me know if there are questions or additional information is needed.

Best regards,

James E. Carter
National Account Manager

JEC